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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00
SSO-00 ICAE-00 INRE-00 EB-08 OMB-01 TRSE-00 AID-05
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----------129165 021142Z /46
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FM AMEMBASSY VALLETTA
TO SECSTATE WASHDC IMMEDIATE 8153

C O N F I D E N T I A L VALLETTA 01126

E.O. 11652: GDS
TAGS: PEPR, MT, US
SUBJECT: RESPONSE TO MINTOFF LETTER

REF: (A) VALLETTA 1104, (B) VALLETTA 1087, (C) STATE
- 102878

1. WHILE WE HAVE BEEN METICULOUS IN EMPHASIZING TO BOTH MINTOFF AND FELICE THAT EXPECTATIONS SHOULD BE REALISTIC IN WHAT TO EXPECT FROM US IN FELICE EXERCISE, I AM CONFIDENT DEPARTMENT ALSO APPRECIATES THE IMPORTANCE AT THIS STAGE OF OUR DIALOGUE THAT WE KEEP OUR OPTIONS REASONABLY OPEN IN THE TONE AND CONTENT OF OUR RESPONSE TO THE MINTOFF LETTER. THIS APPLIES PARTICULARLY TO MINTOFF'S ORAL REQUEST REGARDING THE MARSAXLOKK PROJECT.

2. THIS AND THE MARSA SHIPBUILDING YARD ARE THE MAIN DEVELOPMENT PROJECTS THAT MINTOFF HAS GOING. MARSAXLOKK HAS NOT GONE FAR; IT IS STILL LARGELY ON THE DRAWING BOARDS AND A LOT OF THAT APPEARS TO BE IN MINTOFF'S HEAD. HOWEVER IT IS AN OLD CONCEPT FOR MALTA, GOING BACK IN ONE FORM OR ANOTHER TO THE PREVIOUS NATIONALIST ADMINISTRATION AND BEYOND. IN SOME RESPECTS ITS HISTORY IS A CASE OF MISSED OPPORTUNITIES AS FAR AS MALTA'S DEVELOPMENT IS CONFIDENTIAL

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CONCERNED.

3. ALTHOUGH THERE ARE STILL QUESTIONS AS TO ITS ECONOMIC FEASIBILITY, MINTOFF IS NOW DETERMINED TO PRESS ON WITH IT. FOR HIM IT IS OF SPECIAL IMPORTANCE TO DEMONSTRATE IN A TANGIBLE WAY THE ROLE HE SEES MALTA PLAYING AS A TRANSHIPMENT, SERVICES, AND PROCESSING CENTER IN THE

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MEDITERRANEAN.

4. IDEALLY IT IS THE KIND OF PROJECT THAT OUGHT TO BE TAKEN ON BY A MAJOR CONTRACTOR OR CONSULTING FIRM WITH EXPERIENCE IN THE BUSINESS. MINTOFF'S STYLE HOWEVER IS THRO THINGS ON THE CHEAP (HENCE THE REQUEST FOR USED EQUIPMENT) AND TO EMPHASIZE MALTESE POCTICIPATION. HENCE WHAT SEEMS TO BE EVOLVING IS A PROJECT WHICH HE ENVISIONS AS BEING LARGELY FINANCED BY ARAB CONCESSIONAL LENDING, WITH TECHNICAL ASSISTANCE FROM THE CHINESE FOR THE BREAKWATER AND FROM THE FRENCH, SPANISH AND ITALIANS FOR VARIOUS COMPONENTS OF THE TRANSHIPMENT AND PROCESSING FACILITIES ASHORE. TO THE MAXIMUM EXTENT POSSIBLE, MINTOFF'S OBJECTIVE IS TO SEE THE THING EVOLVE AT THE LOWEST POSSIBLE COST AND WITH THE FINAL PRODUCT SUCH THAT CAN BE LABELED "BUILT BY MALTESE."

5. WE HAVE NOT YET SEEN THE REVISED LIST OF DESIRED EQUIP-MENT THAT FELICE INDICATED WE WILL GET. WE SUSPECT HOWEVER IT WILL BE REASONABLY SIMILAR TO THE EARLIER LIST OF LAST SUMMER (VALLETTA'S 0943 OF 19 AUGUST 1977). TIMING OF PROCUREMENT IS STILL UNCERTAIN. BUT IF MINTOFF CONTINUES TO GIVE THE PROJECT THE PRIORITY IT NOW SEEMS TO HAVE, THE KIND OF CONSTRUCTION EQUIPMENT HE APPARENTLY THINKS MIGHT BE AVAILABLBSFROM US WILL NEED TO BE OBTAINED FAIRLY SOON.
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6. IT IS BECAUSE OF THIS PRIORITY AND IMPORTANCE THAT MINTOFF ATTACHES TO THIS PROJECT THAT WE URGE OUR RESPONSE NOT CLOSE THE DOOR NOW ON ANY US PARTICIPATION. ONE WAY TO HANDLE THIS MATTER WOULD BE TO INSTRUCT ME TO RESPOND TO THE MARSAXLOKK REQUEST WITH ORAL TALKING POINTS, LEAVING THE PRESIDENT'S LETTER MORE GENERAL IN NATURE BUT REASONABLY POSITIVE IN TONE. THIS WOULD PERMIT US TO PROBE A BIT MORE AS TO WHAT IS BEING ASKED AND THE TIME-TABLE FOR PROCUREMENT AND TO CONSIDER THE REQUEST IN THE CONTEXT OF THE STATUS AT A LATER POINT OF BOTH MINTOFF'S DIALOGUE WITH THE EUROPEANS AND OUR OWN EXCHANGES WITH THE LATTER ON THE SUBJECT OF MALTA.

7. WITH RESPECT TO MINTOFF'S OTHER MAJOR EXPECTATION - OUR URGING THE EUROPEANS TO BE MORE FORTHCOMING ON MINTOFF'S ECONOMIC ASSISTANCE REQUEST - WE OBVIOUSLY SHOULD NOT SAY OR IMPLY MORE THAN WE ARE PREPARED TO DO. IF WE ARE WILLING TO URGE THE EUROPEANS TO GET ON WITH THE DIALOGUE AND IF WE ARE ALSO WILLING TO URGE THEM TO BE MORE FORTHCOMING VIS-A-VIS ECONOMIC ASSISTANCE TO MALTA, THEN SAYING (AND DOING) SO WILL CLEARLY HELP OUR BILATERAL

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RELATIONS WITH MALTA. BUT SAYING SO AND NOT FOLLOWING UP
WILL SOON BECOME EVIDENT TO MINTOFF. WE UNDERSTAND FROM
MALTESE SOURCES (FELICE FOR EXAMPLE) THAT THE ITALIANS
KEEP MINTOFF WELL BRIEFED ON OUR CONVERSATIONS WITH THEM.
WHILE THIS ASSERTION MAY BE EXAGGERATED SOMEWHAT WE BELIEVE
THE ITALIANS DO, IN FACT, SHARE MUCH OF THEIR EXCHANGES
WITH US WITH MINTOFF, IF FOR NO OTHER REASON THAN TO SHIFT
RESPONSIBILITY FOR NOT ACCEDING TO MINTOFF'S DEMANDS ON TO
SOMEONE ELSE. LAINGEN

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